

## Monthly Business Report in July, 2010

### 【Sales】

		Circle K Sunkus	
		Month	Year-to-date
Existing-stores	Average daily sales per store (thousand yen)	496	468
	Y-on-y (%)	-2.5	-4.9
	Average number of daily customer per store	887	831
	Y-on-y (%)	-0.6	-3.1
	Average purchase per customer (yen)	559	563
	Y-on-y (%)	-1.9	-1.7
Total chain stores	Y-on-y sales (%)	-0.9	-3.4
	Average daily sales per store (thousand yen)	493	465
	Y-on-y (%)	-1.4	-4.0

(Note) The figures shown in the sales table exclude area franchisers.

### 【Stores at the end of the month】

		Circle K Sunkus	
		Month	Year-to-date
Stores at Circle K Sunkus (Company-owned and franchised)	opened	36	104
	closed	12	84
	total	4,978	
Stores at 13 area franchisers	opened	10	36
	closed	10	35
	total	1,262	
Stores at Circle K Sunkus (Subtotal)		6,240	
99 ICHIBA stores	opened	0	2
	closed	0	6
	total	64	
Grand total number of stores		6,304	

### 【Overview】

In July, as the peak summer sales season approached, Circle K Sunkus conducted a sales campaign offering rice balls at a discounted price of ¥100 per item. In addition, the Company changed the name of its rice ball series to *Omusubidou*, and fully relaunched the rice ball lineup. Circle K Sunkus also held the *ENJOY SUMMER Campaign* in which up to 300 bonus points were awarded to customers purchasing eligible products using Edy electronic money registered with *KARUWAZA CLUB*. From early to mid-July, Japan saw many rainy and cloudy days nationwide. However, after the rainy season ended (July 17 in Kanto, Tokai and Kinki regions), the weather changed markedly with the onset of a severe heat wave. This led to strong growth in sales in product categories that typically see higher sales in hot weather. Overall, existing store sales in July decreased 2.5% year on year, maintaining an improvement in sales from the previous month.

**【 Product Details】**(Note) Percentage figures in the following paragraphs represent year-on-year comparisons of sales per store.

- Circle K Sunkus aims to maximize sales of rice balls, which enter their peak season for sales in the summer. In July, rice ball sales were higher year on year, as the Company fully relaunched the rice ball lineup and conducted a sales campaign offering rice balls at a discounted price of ¥100 per item, as detailed above. In addition, *Shodai Shari no Ginji*, a new sushi series launched in May, continued to perform strongly in July. Consequently, overall rice dish sales improved substantially, maintaining the same level of sales on a year-on-year basis.
- In the *Cherie Dolce* original dessert selection, overall sales were favorable, supported by strong demand for *Hanjuku Doughnuts* (Semi-baked Doughnuts; ¥130), as detailed below. Another contributing factor was that “*Creamy Baum-roll*” ( ¥180), launched on July 1, became *Cherie Dolce*’s all-time bestselling product. Furthermore, overall delicatessen item sales were higher year on year, thanks to steady increases in sales of new products featuring a hot and spicy flavor for the summer, and substantial growth in soup sales.
- In July, chilled noodles, ice cream and soft drink sales rose year on year in step with rising temperatures. Overall service category sales increased year on year due to strong sales of tickets to sports events such as professional baseball games, and film tickets, as well as brisk sales from the *Net Preca* service. On the other hand, Circle K Sunkus reported lower sales of processed food and tobacco in year-on-year terms.

**【 Please Note 】**

**July 8, 2010 : Circle K Sunkus Launches *Hanjuku Doughnuts* That Are Served Chilled**

⇒ As the fourth installment in a series of desserts featuring a “new chilled food texture,” Circle K Sunkus launched *Hanjuku Doughnuts* (Semi-baked Doughnuts; ¥130) on July 22. This new dessert revolutionizes the traditional concept of doughnuts. Circle K Sunkus has already sold castella sponge cakes and baumkuchen cakes that are served chilled, among other desserts. Notably, “*Creamy Baum-roll*” ( ¥180) has become a huge hit product, with 1 million servings sold in the first month after launch on July 1.

**July 26, 2010 : Circle K Sunkus Signs Comprehensive Partnership and Cooperation Agreement With Nara Prefecture**

⇒ On July 26, Circle K Sunkus and Nara Prefecture signed a Comprehensive Partnership and Cooperation Agreement. In commemoration of this comprehensive agreement, Circle K Sunkus sold products featuring food ingredients produced in Nara Prefecture at stores in the Kansai region.

Circle K Sunkus plans to announce results for the second quarter ended August 31, 2010 on October 1, 2010 (Friday). The earnings report (*Kessan Tanshin* ) and supplemental financial information will be posted the same day in the IR Library section of the Company’s website.